

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7063

BILL NUMBER: HB 1255

NOTE PREPARED: Jan 12, 2014

BILL AMENDED:

SUBJECT: Local Government Investments.

FIRST AUTHOR: Rep. Price

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: The bill provides the State Treasurer the authority to establish a program that permits political subdivisions to invest public deposits in a high yield savings account at an approved public depository and permits the public depository receiving the deposit to redeposit the money in other federally insured financial institutions located in the United States.

Effective Date: July 1, 2014.

Explanation of State Expenditures: *Treasurer of State:* The bill requires the Treasurer of State to establish a public deposit program that permits local units of government to invest in a high yield savings account. It provides that any expenses of the program would be borne by the participating account owners or the approved depository, as determined by the Treasurer of State.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill expands the existing investment options for investments made by any a local unit of government. Under the program that would be established by the Treasurer of State, the local units would be allowed to invest in a high yield savings account. The account must be a high yield savings account offered by one or more of the 175 approved public depositories in Indiana. The account must be approved by the Treasurer of State. It specifies other conditions to be met by the investment program established by the Treasurer of State. The additional investment option provided to the local governments could potentially increase the risk and/or return on invested public funds.

State Agencies Affected: Treasurer of State

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Randhir Jha, (317) 232-9556.